

September 23, 1999

ORDER APPROVING TRANSFER OF AUTHORITY

FILE

Docket No.95-03214.

2. WAXS is a corporation duly organized and existing under the laws of the State of Delaware, and provides telecommunications-related systems, products and various support services to other telecommunications companies. Neither WAXS nor its affiliates, however, provide or are authorized to provide services within the State of Tennessee.

3. Maxxis is a corporation duly organized and existing under the laws of the State of Georgia. Maxxis, through its subsidiaries, markets communications and other consumer products and services in the United States through a multi-level marketing system of independent associates. Maxxis Communications (f/k/a Maxxis Telecom, Inc.), a wholly owned subsidiary of Maxxis, provides independent contractor services in connection with the sale of long distance telecommunications services by certificated interexchange carriers. Neither Maxxis nor its affiliates, however, provide or are authorized to provide services within the State of Tennessee.

4. According to the Application, on September 29, 1998, CCI, WAXS, and Maxxis entered into an Asset Purchase Agreement ("Agreement") pursuant to which Maxxis will acquire from CCI certain telecommunications equipment as well as authorizations to provide intrastate long distance services. WAXS is involved because it bought certain equipment from CCI, which it subsequently sold to another company that is leasing telecommunications equipment to Maxxis in a separate arrangement. As part of the Agreement, both CCI and WAXS are providing Maxxis with certain representations and warranties regarding that equipment Maxxis will lease.

5. The Agreement is expressly contingent upon the receipt of necessary regulatory approval. Upon consummation of the Agreement, Maxxis will immediately

transfer the certificate originally held by CCI as well as other telecommunications assets to Maxxis Communications. In the future, Maxxis Communications will provide long distance services in Tennessee. Conversely, CCI will cease offering intrastate long distance services in Tennessee.

I. CRITERIA FOR APPROVING TRANSFER

A transfer of authority to provide utility services cannot occur until the regulated public utility first obtains approval of such transfer by the Authority. The Directors of the Authority must approve the transfer pursuant to the requirements set forth under Tenn. Code Ann. § 65-4-113. This Section, in pertinent part, provides for the following:

(a) **No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.**

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest.

(c) **Following approval of the transfer pursuant to this section, the transferee shall be granted full authority to provide the transferred services subject to the continuing regulation of the authority. The transferor shall no longer have any authority to provide the transferred services, but shall retain authority to provide other services, if any are retained, which were not included in such transfer.** (Emphasis supplied).

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

After consideration of the entire record in this matter, including the Application, the Directors find and conclude as follows:

1. That the Authority has jurisdiction over the subject matter of said Application pursuant to Tenn. Code Ann. § 65-4-113.

2. The Agreement is expressly contingent upon the receipt of necessary regulatory approval. Upon consummation of the Agreement, Maxxis will immediately transfer the certificate originally held by CCI as well as other telecommunications assets to Maxxis Communications. In the future, Maxxis Communications will provide long distance services in Tennessee. Conversely, CCI will cease offering intrastate long distance services in Tennessee.

3. That Maxxis and Maxxis Communications have the requisite technical, financial and managerial resources to resell long distance services in Tennessee.

4. That because CCI does not currently provide service to any customers in Tennessee, the proposed transaction will not adversely affect any Tennessee consumers.

5. That, according to the Joint Application, Maxxis Communications has not been subject to any regulatory penalties for violations of state or federal telecommunications statutes, rules or regulations, such as slamming.

6. That based upon the foregoing, the transfer of CCI's Certificate of Public Convenience and Necessity to Maxxis Communications is compatible with the public interest.

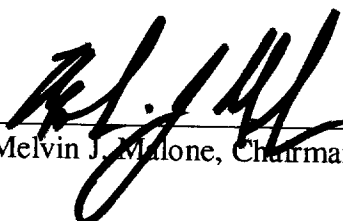
IT IS THEREFORE ORDERED THAT:

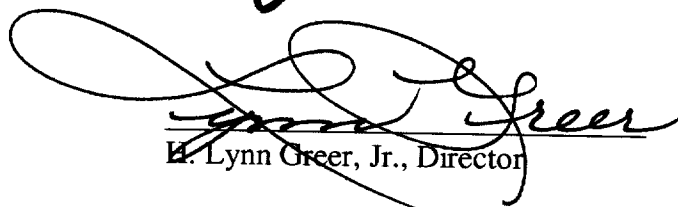
1. The Application requesting the transfer of the Certificate of Public Convenience and Necessity of Cherry Communications Inc. is approved.

2. Maxxis Communications, Inc. is authorized to provide resold intrastate interexchange telecommunications services in Tennessee.

3. Cherry Communications Inc. is no longer permitted to provide resold intrastate interexchange telecommunications services in Tennessee.

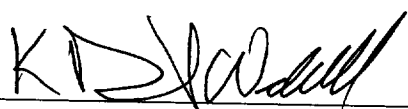
4. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.


Melvin J. Malone, Chairman


H. Lynn Greer, Jr., Director


Sara Kyle, Director

ATTEST:


K. David Waddell, Executive Secretary